

Article 36A.

State Employee Suggestion Program (NC-Thinks).

§ 143-345.20. Definitions.

The following definitions apply in this Article:

- (1) Baseline reversion. – The two-year historical average of reversions by a State department, agency, or institution.
- (1a) NC-Thinks. – The State Employee Suggestion Program.
- (2) Repealed by Session Laws 2001-424, s. 7.2(b), effective July 1, 2001.
- (2a) Participating agency. – Any State department, agency, or institution, or any local school administrative unit that employs State employees eligible to participate in NC-Thinks. The term includes the North Carolina Community Colleges System, The University of North Carolina and its constituent institutions, and charter schools. The term does not include federal or local government agencies.
- (2b) Recodified as G.S. 143-345.20(1a).
- (3) State employee. – Any of the following:
 - a. A person who is a contributing member of the Teachers' and State Employees' Retirement System of North Carolina, the Consolidated Judicial Retirement System of North Carolina, or the Optional Program.
 - b. A person who receives wages from the State as a part-time or temporary worker, but is not otherwise a contributing member of one of the retirement programs listed in sub-subdivision a. of this subdivision. (1997-513, s. 2; 2001-424, s. 7.2(b); 2010-97, s. 11.)

§ 143-345.21. State employee suggestion program.

(a) A State employee or team of State employees may receive an incentive bonus or bonuses in reward for suggestions or innovations resulting in monetary savings to the State, increased revenues to the State, or improved quality of services delivered to the public.

(b) Repealed by Session Laws 2001-424, s. 7.2(c), effective July 1, 2001.

(b1) The amount of savings generated by suggestions and innovations shall be determined after a 12-month period of implementation or, if applicable, no more than 90 days after the one-time savings is determined or the suggestion is approved. No suggestion payments shall be paid prior to the expiration of 12 months, or 90 days after the final one-time savings is determined or the suggestion is approved, and payment may be delayed further as reasonably required to ensure that a complete cost implementation cycle is evaluated fully.

(c) Any savings are to be calculated using the actual expenditures for a program, activity, or service compared to the budgeted amount for the same, if an amount has been budgeted for the program, activity, or service. The savings calculation shall include the amount of any reversions in excess of the baseline reversion. Any savings realized through NC-Thinks shall be weighed against continued service to the public and the assurance that there is not a negative impact on State programs.

(d) If a suggestion or innovation affects a program, activity, or service for which no separate budgeted amount has been made, the State Coordinator, in conjunction with the agency evaluator or agency fiscal officer, or both for that suggestion or innovation, shall determine the budgetary impact of the suggestion or innovation.

(e) No monetary award or leave can be awarded through NC-Thinks where specifically disallowed by the terms of the funding source.

(f) The Office of State Human Resources shall establish the NC-Thinks reserve fund in which all savings for all suggestions shall be deposited as earned. Each participating agency shall be responsible for transferring savings to the NC-Thinks reserve fund. The funds may be encumbered as needed to ensure payment to the General Fund, to the suggester, and for distribution as required by G.S. 143-345.22. The Office of State Human Resources shall provide the NC-Thinks reserve fund summary at the close of each fiscal year to the Office of State Budget and Management and to the participating agencies. The Office of State Budget and Management shall have oversight responsibility for ensuring that the required reversions and transfers are made to the General Fund, and that all encumbered funds are accounted for and paid as required by law.

(g) No distribution of suggester awards shall occur until reversion requirements to the General Fund are met and distributions as required by G.S. 143-345.22 are satisfied and verified by the Office of State Budget and Management. When all of the requirements of G.S. 143-345.22 are fulfilled, the Department of Administration shall transfer to the suggester's agency funds required to award the suggester. The suggester's agency shall make the suggestion award and ensure that all taxes and withholding requirements are met.

(h) Implementation costs may be prorated over a maximum of three years for suggestions or innovations that are capital intensive, involve leading-edge technology, or involve unconventional processes that require longer than 12 months for implementation. The amount of the average annual savings minus the average annual implementation cost shall be used as the basis for the agency to recommend a suggester award. The State Suggestion Review Committee shall consult the Office of State Budget and Management to make the final award determination in these cases.

(i) There is established in the Office of State Human Resources a nonreverting fund to be administered by the Office of State Human Resources for the training and education of permanent State employees to address specific mission critical needs and objectives. Funds shall be credited from NC-Thinks to the fund as provided by this Article. (1997-513, s. 2; 1998-181, s. 5; 2001-424, s. 7.2(c); 2010-97, s. 11; 2011-224, s. 1; 2013-382, s. 9.1(c).)

§ 143-345.22. Allocation of suggestion program funds; nonmonetary recognition.

(a) If a State employee's suggestion or innovation results in a monetary savings or increased revenue to the State, the funds saved or increased shall be distributed according to the following scale or subject to guidelines as set forth by the funding source:

- (1) Twenty percent (20%) of the annualized savings or increased revenues, up to a maximum of twenty thousand dollars (\$20,000) for any one State employee, to constitute gainsharing. If a team of State employees is the suggester, the bonus provided in this subdivision shall be divided equally among the team members, except that no team member shall receive in excess of twenty thousand dollars (\$20,000), nor shall the team receive an aggregate amount in excess of one hundred thousand dollars (\$100,000). These funds shall not revert.
- (2) Thirty percent (30%) allocated as follows:
 - a. Fifteen percent (15%) to the implementing agency for nonrecurring budget items to be used (i) by the implementing agency to provide equipment, supplies, training, and limited but appropriate recognition for the division, section, or group responsible for the implementation of

the cost-saving measure and (ii) to meet other similar needs within the agency.

- b. Ten percent (10%) to the Office of State Human Resources for augmenting funding for the management and administration of NC-Thinks. These funds shall not revert.
- c. Five percent (5%) to the State employee education and training fund administered by the Office of State Human Resources under G.S. 143-342.21(i). These funds shall not revert when nonreversion is otherwise allowed by law or policy.

- (3) The remainder to the General Fund for nonrecurring budget items when allowed by law or policy.

(a1) Of the pool of funds identified in subsection (a) of this section, only the General Fund appropriations shall be subject to reversion, except during declared budget emergencies. Under nonemergency budget conditions, NC-Thinks funds arising from savings at The University of North Carolina, the North Carolina Community Colleges System, the Highway Trust Fund, enterprise funds, and receipt-supported organizations shall be exempt from the General Fund reversion requirements.

(b) The budget of a State agency shall not be reduced in the following fiscal year by an amount similar to the monetary savings or increased revenues realized by NC-Thinks. The agency budget shall be reduced in subsequent years only if structural or organizational changes are made that warrant the reductions, including the transfer of responsibility for an activity or service to another agency or the elimination of some function of State government.

(c) If a suggestion or innovation results in improved quality of services to the public or to other State agencies, departments, and institutions, but not in monetary savings to the State, the suggester shall receive a nonmonetary award in the form of a certificate, leave with pay, or other similar recognition. (1997-513, s. 2; 1998-181, s. 6; 2001-424, s. 7.2(d); 2010-97, s. 11; 2011-224, s. 2; 2013-382, s. 9.1(c).)

§ 143-345.23. Suggestion and review process; role of agency coordinator and agency evaluator.

(a) The process for a State employee or team of State employees to submit a cost-saving or revenue-increasing proposal shall begin with the employee or team of employees submitting the suggestion or innovation to an agency coordinator. The agency coordinator, in conjunction with an agency evaluator, shall review the suggestion or innovation for submission to the State Review Committee established in G.S. 143-345.24.

(b) An agency coordinator shall be appointed by the head of each participating agency to serve as liaison between the agency, the suggester, the agency evaluator, and the NC-Thinks office. The duties of the agency coordinator shall include:

- (1) Serving as an information source and maintaining sufficient forms necessary to submit suggestions.
- (2) Presenting, in conjunction with the agency evaluator, the recommendation for an award to the State Suggestion Review Committee.
- (3) Working in conjunction with the agency evaluator to process a particular suggestion or innovation within 180 days, except when there are extenuating circumstances.

An agency may have more than one coordinator if required to provide sufficient services to State employees.

(c) An agency evaluator shall be designated by the management of the implementing agency to evaluate one or more suggestions. The duties of an agency evaluator shall include:

- (1) Receiving from the agency coordinator and reviewing within 90 days, when possible, the feasibility and effectiveness of cost-saving or revenue-increasing measures suggested by State employees.
- (2) Being knowledgeable of the subject program, activity, or service.
- (3) Determining, in conjunction with the agency fiscal officer, the budgetary impact of a suggestion or innovation.
- (4) Judging impartially both the positive and negative effects of a suggestion or innovation on the current functions of the subject program, activity, or service.

(d) The Director of the Office of State Human Resources shall be responsible for general oversight and coordination of NC-Thinks. The State coordinator shall be an employee of the Office of State Human Resources. The State coordinator shall be responsible for day-to-day NC-Thinks program management and administration of the technical aspects of the program. The State coordinator shall be an ex officio voting member of the State Suggestion Review Committee. (1997-513, s. 2; 1998-181, s. 7; 2001-424, s. 7.2(e); 2010-97, s. 11; 2011-224, s. 3; 2013-382, s. 9.1(c).)

§ 143-345.24. State Suggestion Review Committee.

(a) The State Suggestion Review Committee shall consist of nine members, as follows:

- (1) The State Coordinator.
- (2) A representative of the Office of State Budget and Management.
- (3) A representative of the Office of State Human Resources.
- (4) A representative of The University of North Carolina.
- (5) A representative of the Department of Justice.
- (6) A representative of the Department of Labor.
- (7) One State employee appointed by the Speaker of the House of Representatives.
- (8) One State employee appointed by the President Pro Tempore of the Senate.
- (9) One State employee appointed by the Governor upon the recommendation of the State Employees Association of North Carolina, Inc.

(b) The duties of the State Suggestion Review Committee shall include:

- (1) Receiving from the various agency coordinators recommendations on suggestions and innovations.
- (2) Determining the impact of a suggestion or innovation on State government services by judging the monetary savings, increased revenues, or improved quality of services generated by a suggestion or innovation.
- (3) Ensuring that the State employee incentive bonus process does not result in a negative impact on services provided to taxpayers by State government.

(c) All administrative, management, clerical, and other functions and services required by the State Review Committee shall be supplied by the Office of State Human Resources. The Office of State Human Resources and the State Review Committee shall report annually to the Joint Legislative Commission on Governmental Operations on the administration of NC-Thinks.

(1997-513, s. 2; 2000-140, s. 93.1(a); 2001-424, ss. 7.2(f), 12.2(b); 2010-97, s. 11; 2011-224, s. 4; 2013-382, s. 9.1(c).)

§ 143-345.25. Innovations deemed property of the State; effect of decisions regarding bonuses.

(a) All suggestions or innovations submitted by State employees pursuant to this Article are the property of the State, and all related intellectual property rights shall be assigned to the State. By January 1, 2002, the Office of State Human Resources shall establish a policy regarding intellectual property rights that arise from NC-Thinks.

(b) Decisions regarding the award of bonuses by the agency coordinator and the State Suggestion Review Committee are final and are not subject to review under the contested case procedures of Chapter 150B of the General Statutes. (1997-513, s. 2; 2001-424, s. 7.2(g); 2010-97, s. 11; 2013-382, s. 9.1(c).)